

Opinion: Dr. Ananda Bahadur Thapa

Interview: Dr. Surya Subedi

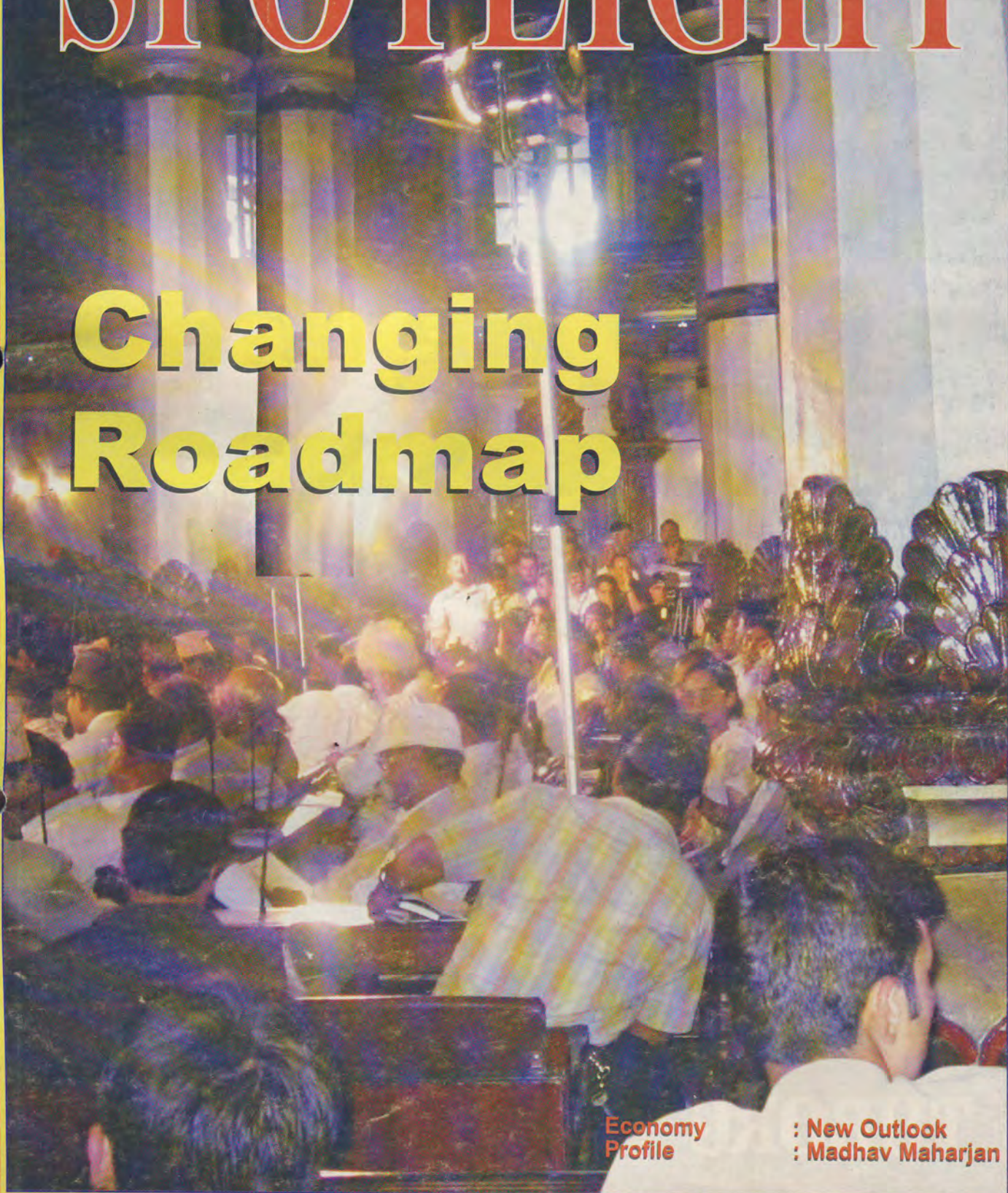
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The National Newsmagazine

SPOTLIGHT

June 23-29, 2006

Changing Roadmap



Economy
Profile

: New Outlook
: Madhav Maharjan

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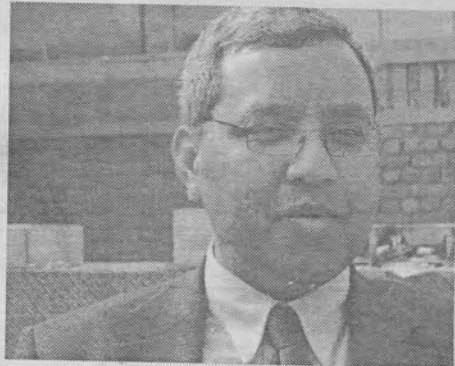
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The dust overcast in the political sky of Nepal after the historic change is taking time to settle down. If the overwhelming majority of the exploited poor Nepalis is happy, a small minority is not only very upset but most concerned about their future in the country. The Nepali monarchy, a centuries-old institution, revered by most Nepalis and considered indispensable till a few years ago has suddenly become redundant. The dead House of Representatives restored by the King on the mandate of the People's Revolution has cut down the King's authority with a vengeance. Though the monarch seems resigned to his new role, unfounded rumors emerging from the Palace are trying to spread contrary messages. Since the clock cannot be turned back, despite the tug o' war between the feuding forces, the fate of the monarchy in Nepal seems to be sealed. It is, indeed, unfortunate that insensitive obduracy on the part of King Gyanendra has pushed this ancient institution into biting isolationism. Nepal, according to a renowned author, is as "inscrutable as a woman's heart" and the monarchy still could be salvaged from going into total oblivion. Even Prime minister Girija Prasad Koirala, the "greatest leader of the region", according to his Indian friend, has suggested that the monarchy must be preserved if only to perform ceremonial duties. It does not seem too difficult for one to see through why he has opined such an idea. Whether his alliance partners and the Maoist leaders will fall in line with him, time can only tell. But as the portents show, the chasm between them is difficult to bridge.

* * *

Kantipur TV was talking to UNHCR representative on the World Refugee Day and this scribe chanced to see it. The talk centered on the Bhutanese refugees in Nepal. It was not surprising to see the UNHCR representative making futile efforts to convince the TV audience. Since the issue has been hanging in balance for a long time, UN officials, many of them of much higher status than the representative in question, have not succeeded to produce any satisfactory solution. Hence we neither decry nor resent the present representative as we are fully aware of his limitations. And we know, even the highest authority in the UN cannot solve this problem. This is not the only problem where the UN has proved its futility. There are many more. But, the US invasion of Iraq has clearly demonstrated its impotence and non-utility. As a matter of fact, the nagging issue of the Bhutanese refugees in Nepal could have been solved years ago by one simple raise of an Indian eyebrow for the King of Bhutan to see. To be even more precise, the issue would not have arisen at all without the invisible concurrence of India. The Nepalis in Bhutan would have never been thrown out of their homeland had India only raised its forefinger at the sheer injustice of the Bhutanese King. But, India had to look after her own interests. Moreover, as the biggest democratic country in the world, India could not ignore Bhutan's rights to run its country the way it liked. Besides, India is a good friend of Bhutan and even a better friend of Nepal. She could not displease one to see another. And she also could not interfere in the internal affairs of her smaller neighbors. And it is not for her to see what is right and what is wrong. She has to stay a silent spectator only. It is totally a different matter that India aspires to become a permanent member of the Security Council. It is again an irrelevant issue that Nepal does not have contiguous border with Bhutan. All these factors ostensibly do not have any relation whatsoever with the Bhutanese refugees in Nepal. However, the issue needs quick resolution. But how? We think the UN is not competent enough to solve the problem. The one, we think, who is fully competent would not even raise its little finger. As long we can't make her do it, the problem will be plaguing us.

Madhav Kumar Rimal
Chief Editor & Publisher



Unbridled Horse?

I read the cover story of this issue "Legislative Adventurism" (June 16) and I found the present House of Representative is like an unbridled horse. It is making its own decisions one after another only to show how supreme it is. Because the members now seem to be afraid that the credit may go to the Maoists for the present situation of Nepal. Their flow of decisions proves that such decisions could have been taken when the parties were in the power for 12 years. They should not forget that the house is for the short time. And its declaration will not be counted for long time in future. So it is useless to take any crucial decision. To claim oneself as the sovereign

either by the king or by the parliament is unconstitutional practice.

Suman Gurung
Balaju

Be Careful

The cover story last week on the SPOTLIGHT depressed me a lot as I came to know that the parliament has taken decisions to make the judges take an oath to be responsible towards their duty in front of the unauthorized house which may dissolve at any time "Legislative Adventurism (June 16). Instead of taking any decision they should concentrate on how to make the peace talk successful and think about the process of constituent assembly because they are more important.

Indra Shrestha
Chyasal

Will Prachanda Take Up Responsibility?

The Maoists in Nepal waged a decade-long war and succeeded, at least, in dislodging the atrophied and out-dated regime but their mission to control the nation politically is yet to be achieved. Now the Maoist rebel chief Prachanda has agreed to participate in the political process of Nepal on June 16, 2006. But Prachanda could also repeat the mistake made by some of the Indian leaders if he does not aspire to become the chief executive of Nepal. In India Mahatma Gandhi (mainly responsible for the partition of India) and so called 'Hindu Hriday Samrat' Bala Sahib Thackeray of Shiv Sena both wasted vast political assets and potentialities at their command simply due to the reason that they wanted remote control on

Governments and never aspired to take up the responsibility of the governance as P.M. of India (whether Sonia Gandhi will be the third such failed Indian leader with penchant for remote control, will be clear by next Parliamentary elections). Moreover, Prachanda will succeed in his new role as Chief Executive of Nepal only when he transforms his Maoists into a political party keeping in mind that in the contemporary and democratic world a political party ought to be almost an alternative to religion with humanism at its core.

Hem Raj Jain
Bangalore, INDIA

Taxing Tourists

While elsewhere there are made agreements by the Maoist leadership, down to the road, the situation appears quite different. While announcing not to force any donation to them, the Maoists on the ground not only violate their own commitments with their fellow citizen, they also go ahead with harassing simple tourists just at a time when the confidence that Nepal might be now safer for them is increasing. So just happened on June 16 to a group of Italian-Dutch tourists. The tourists were returning from a trip to Mt. Kailash when they were suddenly stopped at midway between Kathmandu and Kodari. Stunned by a young boy who stopped their vehicle coming out of a makeshift hut similar to those of the Nepal Police, the boy, accompanied by an elder one in military outfit made them

understand that they were passing a Maoist check post and that they have to pay Rs 5,000 in order to be allowed to proceed. Kristin Blanke, the tour-leader, was then involved in a bargain talk which started at a whopping Rs 5000 for the group of six and ended at a compromise of Rs 2500. The Maoists even gave a receipt for the payment, but refused to acknowledge the public announcement that Maoists would not enforce payment unless someone wanted freely to donate to them. In a clear violation of their leaderships' repeated announcement, the somewhat frightened tourists after handing the money to the Maoists, then returned quite upset back to Kathmandu, as their journey came to a bitter end.

Navyo Eller
Chhauni

Optimism For Restructuring

Nepali political scenario is all set to reshape its structure following the agreement between the parties and the Maoists. This has raised optimism among the people regarding the reestablishment of peace in the country. The negotiation between them seems to give a new direction to take the country towards the solution. Their eight-point agreement especially regarding the holding of constituent assembly has increased hope among the general people. To get to their destination both the Maoists and seven party alliance are ready to dissolve the house of representative and the people's government. This I think could be the beginning of the end of conflict in Nepal.

Bishal Thapa
Putalisadak

Needed Campaign

I read the article "Risk Reduction" (June 16). I am very impressed by the program adopted by Nepal Youth Society (NYS) to distribute condoms at the petrol pumps free of cost. It is clear that their target groups are drivers, commercial sex workers and the carpet workers who need it the most. Because they are migrant people and the only possible way to communicate with them is by this recent program held by NYS, I think it is really a clever trick to communicate with such people to change their habit of having unsafe sex and to reduce the dangerous diseases like HIV/AIDS/STI.

Ankur Basnet
Sallaghari

Parties Sulk Over Being Left Out From Deal Making Process

Constituents of the Seven Party Alliance have started voicing their discontent over the manner in which the government led by Prime Minister Girija Prasad Koirala reached deal with the Maoist chairman Prachanda. They have criticized the lack of internal discussions among themselves prior to inking the deal with far-reaching provisions like the dissolution of the House of Representatives. The meeting of the Standing Committee of the Unified Marxist Leninist (UML) has expressed deep concern over few provisions in the deal. At the meeting, which was held on Saturday (June 17), most of the members raised objection at the lack of adequate discussion among the alliance members on issues such as framing of interim statute and dissolution of the parliament. The party also took a serious exception to the manner in which Home Minister Krishna Sitaula secretly traveled to Sikles to meet Prachanda. "There is a suspicious process whereupon PM is mobilizing his Home Minister and the Maoists are also agreeing to it," said a UML member, adding, "If they go ahead without consulting seven parties, the agreement will not be fruitful." The member also said that they objected to the holding of secret meeting between the PM and Prachanda. Meanwhile, a delegation of Nepali Congress (NC) leaders led by its general secretary Ram Chandra Poudel met with Sitaula - the chief government negotiator - to complain about the decision to dissolve the parliament. They also regretted the decision to form interim government without finalizing the issue of arms management. Likewise, the meeting of central committee and parliamentary committee of the NC (Democratic) has also expressed concern over the decision to dissolve the parliament. Furthermore, general secretary of Nepal Sadbhavana Party (NSP-Anandidevi) Hridayesh Tripathy, who is an incumbent minister in the current cabinet, expressed dissatisfaction at the lack of participatory approach in the formation of interim statute drafting committee. "On such a serious issue, there should have been discussions among all the eight parties," he said.

President of Rastriya Prajatantra Party (RPP) Pashupati SJB Rana also expressed concern at the lack of adequate homework prior to reaching the deal. He said the issue of management of arms should have been made the most important one. On the other hand, Nepal Workers and Peasants Party (NWPP) issued a statement complaining at the manner in which the government has been working without consulting with SPA constituents. *Kantipur daily reports.*

Swiss Official Hails Pact Between Govt, Maoists

The Swiss Special Adviser for peace building in Nepal, Gunther Baechler, said the eight-point peace pact between the government and the Maoists was a breakthrough in peace and constitution-building process. "Individual leaders of both sides have shown a remarkable political will to settle the conflict

peacefully, which indicates that the peace process is going to be successful," Baechler told a press conference. Comparing Nepal's case with other conflict-hit countries, he said, "Parties to the conflict had to be forced to the talks table, to be guided through the process with help of a mediator. Not so in Nepal where both sides came on their own and that makes a huge difference." *The Himalayan Times daily reports.*

House Adjourned Till July 2

The current session of the House of Representatives has been adjourned till July 2 after forming its Special Committees, Special Security Committee and Special Parliamentary Hearing Committee. Meanwhile, regulations related to the functioning of the cabinet was also tabled at the House on Thursday (June 15). The regulations give full authority to the cabinet in taking major decisions including the appointment of ambassadors; appointment and resignation of the army chief; appointment, posting promotion and resignation of Nepalese Army Colonel and the officers who are above the rank of Colonel. It will also decide on mobilizing the NA to any peace keeping missions and in other operations. Likewise, the authority to appoint, transfer top officials of police

and other security agencies will also be exercised by the cabinet. All draft bills to be presented in the House of Representatives by the government and the treaties and agreements to be signed with foreign government will be presented in the cabinet. It will issue the ordinances and will decide on granting award, decoration and amnesty. *Leading dailies report.*

Maoists Kill A Student

Maoists have killed a student who had been abducted six days ago in Lisankhu VDC of Sindhupalchowk district. The body of Bishal Tamang, 19, a student of grade ten at the local school, was found buried at Nigale jungle. Local villagers held a rally and raised slogans against the Maoists for Tamang's killing. They have announced blocking off Lamosangu-Jiri road section on Friday in protest. The villagers claim that Tamang was killed by 14th battalion of the Maoists. Tamang was abducted following a clash between locals and Maoists in a local fair in Hyangdanda. *Kantipur daily reports.*

Koirala Stresses On Ceremonial Monarchy

Arguing that all forces should be given spaces for the sake of long lasting peace, Prime Minister Girija Prasad Koirala said his party would opt for a purely ceremonial monarchy. "The King should also be given a breathing space. If you push him to the wall, in this transitional stage, the nation may not head toward the direction that we want," Koirala told cadres of his party in Biratnagar on Wednesday (June 14). He said that all forces should be given proper spaces for the sake of lasting peace. If they are not given those spaces, he added, they would get frustrated and the consequent could not be in the nation's interest. "At present, the King, the parties and the Maoists have all come under one umbrella. If this umbrella closes, there is no place to run for either of the forces," he said. When cadres asked for clear policy of Nepali Congress (NC) on the procedures of constituent assembly, Koirala said that he would not be able to reveal all as the dialogue with Maoists was

going on. "We will first put our issues at the negotiating table. If we publicize our stands before the talks, then there would be no going back," he said. Prime Minister and president of NC Koirala also said that he has already talked with the United Nations regarding the management of Maoist army. "The UN has shown its willingness to help in this regard. But the Maoists need to provide information about the number, size and strength of their army first," he added. Meanwhile, following Koirala's remarks that space should be given for ceremonial monarchy, Maoists took out a rally criticizing him in Rajbiraj. *Kantipur daily reports.*

All Acts Pertaining To Army Being Revised

The government is revising all Acts and Regulations related to the Nepalese Army (NA) to make them relevant to the declaration of the House of Representatives 2006. For this purpose, the Ministry of Defense (MoD) has begun the drafting process of new laws as well as amending the "provisions with autocratic and outdated language" in the existing Acts and Regulations of the Army. "We are studying the provisions in the four Acts and 25 Regulations related to the Army to revise them as per the changed context," said Bhupendra Poudel, the spokesperson at MoD. "The Army will be consulted for technical provisions while other experts will also be consulted in the process of drafting those laws," said Poudel. So far the government has not allocated any budget, neither formed any special committee to revise these laws. "Soon we will have such a team," the ministry officials said. *The Himalayan Times daily reports.*

Eight Nepalese Killed In Kashmir

A gang of militants shot dead nine persons in a remote village called Trenj in Indian-administered Kashmir on Monday. Of them, eight have turned out to be laborers from Nepal. They were killed after being abducted from a construction site. Militant belonging to Hijbul Mujahideen

killed the workers who all hailed from Morang district in eastern Nepal. *Kantipur daily reports.*

Reporter Faces Maoist Threat

A reporter has faced stern warning from the Maoists for writing about the story of extortion in Chitwan. Kantipur reporter Binod Tripathi received threatening calls for the story regarding the Maoist drive to raise Rs 50 million of donation in Chitwan. Maoist district secretary Abinash called him in his cell phone and warned him. "You do not seem to know how to write news about a political force that carries weapons. Come to Chitwan, we will teach you," the caller told Tripathi who is in Kathmandu for the last few days. Claiming that they were not extorting, the caller also asked Tripathi repeatedly to reveal the source of his news. When Tripathi declined to do so, he was even labeled as supporter of regressive forces. Meanwhile, Federation of Nepalese Journalists Kantipur Chapter has issued a statement expressing strong objections over the Maoist threats to its reporter. *Kantipur daily reports.*

SC Orders Stopping Of Smoking In Public Places

The Supreme Court (SC) has ordered the government to make appropriate laws to ban smoking in public places. Responding to a writ petition filed by Pro-Public, the apex court bench comprising of judges Anup Raj Sharma and Rajendra Prasad Koirala ordered the government to frame necessary laws within a year. The bench also instructed the government to take necessary actions to ban the advertisements of tobacco-based products from print media. The bench has also ordered the government to define what comprises of public places. The bench also instructed the monitoring section of the apex court to monitor the implementation of its order. *Nepal Samacharpatra daily reports.*

New Hassles In Deal With China

Less than three months after China agreed to provide duty free access to

Nepalese exports, new hassles have emerged threatening to derail the deal. Of late, China is saying that it wants to provide a joint duty free facility to seven Least Developed Countries (LDCs) including Nepal. Likewise, it has also demanded that there should be 40 percent Value Addition. This stricter provision in the Rules of Origin is different than what Nepal has been demanding. Nepal has been requesting for only 30 percent value addition. Furthermore, there also seems to be lack of agreement on the list of products that would be provided duty free access. Nepal has requested such facilities for 1500 products to which China has not given any commitment yet. The deal had been reached during the visit of Chinese State Councilor Tang Jiaxuan. *Kantipur daily reports.*

ADB, UNICEF To Fund Education For All Program

The Asian Development Bank (ADB) and the United Nations Children's Fund (UNICEF) have pledged support for the Education for All (EFA) Pool Fund from the next year. They made this promise during the EFA and Secondary Education Support Program review mission held here last week. The recent commitment, by two donors in the core funding group, has relieved the government, which had been worrying how to bridge a shortage of fund the EFA would face at the end of its five-year program that began in 2004. The EFA program, which would cost \$814 million, is expected to fall short by \$ 250 million at the end of its first five-year term. At present, there is a pool fund of \$150 million while the government had planned to raise \$174 million, including the fund it expected to receive from the European Commission, which later opted out. An official at the Ministry of Education and Sports, requesting anonymity, said the ADB has expressed commitment to provide \$30 million for the remaining term of the EFA and the purse of the fund to be provided by the UNICEF is yet to be discussed, but it is a huge relief for the government. *The Himalayan Times daily reports.* ■



Women activists gherao Sing Durbar demanding their participation in the committee that will draft interim statute Gorkhapatra

FORMER MINISTERS OF THE ROYAL REGIME KAMAL

Thapa and Tanka Dhakal have been released from the detention at the order of the Supreme Court (SC). A bench comprising judges Sharada Prasad Pandit and Badri Kumar Basnet ordered their release saying there was no sufficient ground to keep them in detention. Meanwhile, talking to reporters former Home Minister Thapa said he is ready to reveal everything before the High Level Commission formed to probe repressions against People's Movement. "I did nothing against the Constitution and the rule of law but performed by duties," he said.

DEPLORING THE ABSENCE OF WOMEN IN THE COMMITTEE

formed to draft interim constitution, feminist leaders staged a sit-in in front of Sing Durbar on Sunday. Around 27 of the demonstrators were then arrested by the police and later released. They demanded that the government and the Maoists respect the recent announcement by the House of Representatives to ensure at least 33 percent participation of women in every sector. The demonstration was participated by women leaders belonging to ruling seven party alliance. They have vowed to continue their agitation.

THE GOVERNMENT AND THE MAOISTS HAVE, AFTER

mutual consultations, formed a committee to draft the interim statute. The committee members have also been named. Former judge of Supreme Court (SC) Laxman Prasad Aryal heads the committee. Aryal is also a member of the commission that drafted the 1990 Constitution. Other members of his team include bar president Shambhu Thapa, Harihar Dahal, Mahadev Yadav, Sindhu Nath Pyakurel and Khim Lal Devkota. The committee has been provided 15 days to frame the statute.

SEVEN PERSONS WERE KILLED AND 37 INJURED WHEN A

crowded passenger bus fell down from the road in Pattharkot area – in border between Arghakhanchi and Kapilbastu district. The bus was traveling from Sandhikharka – district headquarters of Arghakhanchi – to Krishna Nagar of Kapilbastu.

THE MINISTRY OF INFORMATION AND COMMUNICATION

has granted the license for 'satellite uplink' to the Kantipur Television Network Private Limited. Earlier, the Supreme Court had instructed the government to provide the license to the network. As per the

license, the private channel can uplink its signal and broadcast them via satellite.

THE NATIONAL HUMAN RIGHTS COMMISSION (NHRC)

has informed that 971 persons are still in the list of the "disappeared" by the government, Maoists and unidentified groups. In a report revealed by the commission, 583 persons are still said to have been disappeared by the state security forces; 332 by the Maoists and 56 by unidentified groups. "In course of working by our task force, many persons could be traced but 971 still remain disappeared," said Sudip Pathak, a member of the commission. He said that reliable proof has been found regarding the location of around 300 persons in state detention. Pathak added that the list would be provided to the Maoist leaders who have come to the capital for the talks. He said that among the recommendations by the commission for actions against human rights abusers, only 30 percent have been followed.

THE DANISH GOVERNMENT HAS AGREED TO PROVIDE

assistance worth Rs 2 billion for the purpose of peace process and election of constituent assembly. Likewise, Denmark has also agreed to resume its stalled assistance of Rs 1.5 billion in rural energy sector. This was informed at a press meet organized by the visiting Danish State Secretary of the Ministry of Foreign Ministry Carsten Staur who is also the head of the Danish aid agency DANIDA.

SEVEN SOLDIERS OF NEPALESE ARMY (NA) BELONGING

to UN peace-keeping force who had been captured by rebel militia in Congo are yet to be released. Although negotiators of the UN are talking with the militia for their release, they are still in captivity. They have said that the process of their release was delayed because the militia leader is outside the country. "The UN team is talking with the rebels," said NA spokesperson Nepal Bhusan Chand, adding, "They are alright. The NA team there is taking care of their food." They had been captured 17 days ago from Ituri area during clash with the rebels. One NA soldier had died during the clash and three others seriously injured. "Apart from the UN, the ICRC is also trying to release them," said Yadav Khanal, spokesperson of the Foreign Ministry.

THE NEPALESE ARMY (NA) HAS FORMED A TASK FORCE

to probe the disappearances of 49 detainees from Bhairabnath Battalion. It has also detained the chief accused Colonel Raju Basnet who has been named in a report prepared by UN Office of the High Commissioner for Human Rights (OHCHR) in Kathmandu. The OHCHR had recommended investigations and actions against the culprits. According to Public Relations Directorate of the NA, the task force is headed by Brigadier General Sharad Neupane. The directorate, however, has not confirmed the detention of Colonel Basnet. The OHCHR report has accused Basnet who commanded the battalion of playing the leading role in torturing, inhuman treatment and disappearances.

FOLLOWING THE GOVERNMENT DECISION TO WITHDRAW

charges against them, scores of Maoist cadres and leaders serving prison terms in various parts of the country have been released. "Till now we have received information that 240 of them have been released," said Baman Prasad Neupane, spokesperson at the Home Ministry. "The release of detainees is a positive thing. Other detainees facing old charges should also be released," said Lekhnath Neupane, president of Maoist student wing.

“The King should also be given a breathing space. If you push him to the wall, in this transitional stage, the nation may not head towards the direction that we want.”

Prime Minister Girija Prasad Koirala, addressing his party workers in Biratnagar.

* * *

“We are providing a new and significant example for the whole world.”

Prachanda, Maoist chairman, at a press meet in Baluwatar, claiming that the recent developments in Nepal were exemplary.

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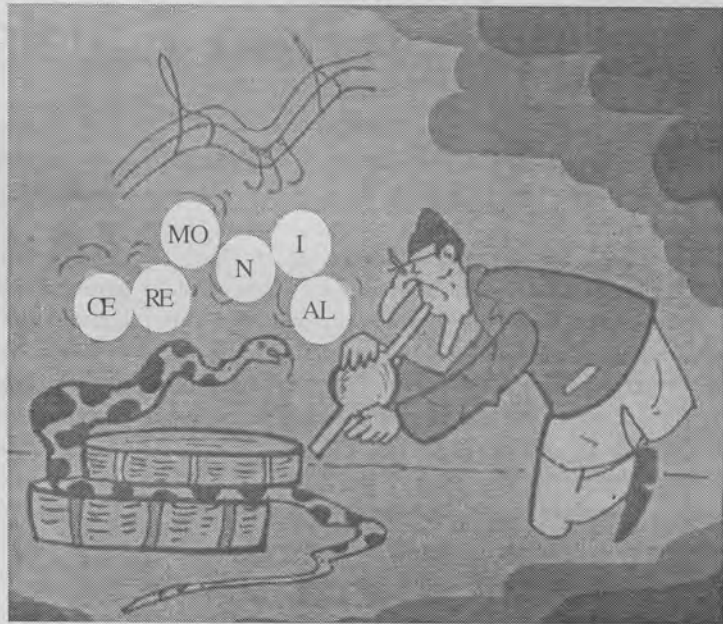
“On such a serious issue (as framing of interim constitution to replace the existing one), there should have been discussions among all the eight parties.”

Hridayesh Tripathy, Minister for Industry, Commerce and Supplies, and the general secretary of Nepal Sadbhavana Party (NSP-Anandidevi), complaining over the lack of prior discussions among the SPA constituents, in Kantipur.

* * *

“(Elsewhere) parties to the conflict had to be forced to the talks table, to be guided through the process with help of a mediator. Not so in Nepal where both sides came on their own and that makes a huge difference.”

Gunther Baechler, Swiss Special Adviser for peace building



Bimarsha

in Nepal, praising the eight-point pact between the government and the Maoists, in The Himalayan Times.

* * *

“I did nothing against the Constitution and the rule of law but performed my duties.”

Kamal Thapa, former Home Minister, talking to reporters after being freed by the Supreme Court from the government detention, in The Himalayan Times.

* * *

“You do not seem to know how to write news about a political force that carries weapons. Come to Chitwan, we will teach you.”

A caller claiming to be a district-level Maoist leader telling Binod Tripathy, a Chitwan-based reporter of Kantipur daily, for writing a news about extortion drive in the district, in Kantipur.

* * *

“Third country resettlement is possible if there is no other solution and the international community is willing to come forward in order to remove the burden of refugees as well as the burden on the host country.”

Abraham Abraham, Resident Representative of the United Nations High Commissioner for Refugees (UNHCR), in The Kathmandu Post.

* * *

TRANSITION

FORMED: A committee to draft an interim constitution, headed by former Supreme Court judge **Laxman Prasad Aryal** and including members **Harihar Dahal, Shambhu Thapa, Sindhu Nath Pyakurel, Mahadev Yadav** and **Khim Lal Devkota**.

LEFT: Prime Minister **Girija Prasad Koirala**, for Bangkok, Thailand for his health check up. In his absence, the

second deputy prime minister **Amik serchan** will work as officiating PM.

APPOINTED: **Ajaya Rana**, as the acting chief editor of The Rising Nepal daily.

RESIGNED: **Lok Deep Thapa**, from the position of chief editor of The Rising Nepal daily.

FORMED: A Peace Committee, coordinated by Nepali Congress general secretary **Ram Chandra Poudel**, to assist the peace process, as per the decision of

the government. Other members of the committee include **Ishwar Pokharel (UML), Shashi Shrestha (PF), Chitra Bahadur KC (PF), Sunil Prajapati (NWPP), Rajendra Mahato (NSP-A)** and **Khem Raj Pandit (RPP)**. **Bidhyadhar Mallik**, secretary at the Peace Secretariat, is its member-secretary.

CAME: **Carsten Staur**, State Secretary of Ministry of Foreign Affairs, Denmark and the Head of the aid agency DANIDA, on a two-day visit to Nepal.

Karnali With A Dam Equals 5 Karnali Rivers

By DR. AB THAPA

Dependable flow of the Karnali River with the proposed dam at Chisapani site would be exceeding by about five times the present Karnali flow in dry season, when the demand for irrigation water in the Gangetic plain is the highest. Thus, it might not be wrong to say that the Karnali with a dam would equal to five Karnali Rivers. Unfortunately many of our planners, economists, academicians and various water related institutions are hardly seen to be aware of the vast economic potential of the Karnali dam project and the great sensitivity of the issues related to its development.

Extremely Attractive Project

The latest feasibility study of the Karnali High Dam Project had been carried out by the Himalayan Power Consultants, a joint venture of three Canadian consulting firms (Acres International Limited, SNC Inc., Shawinigan Engineering Co. Ltd.) and Ebasco Overseas Corp. of the United States. Experts from the Bechtel International (USA) had served as advisor consultant to supervise the study on behalf of our government. The feasibility study, financed by a loan from the International Development Agency (IDA) of the World Bank, commenced in 1986. After the completion of the feasibility study a single main report volume has been

Unfortunately most of the decision makers in Nepal whether they are economists or politicians or bureaucrats are not seen to be knowing about the difficult problems a country has to face in development of large water resources projects. We do not appear to be realizing the fact that we will have to struggle very hard if we really intend to develop in the interest of our country large water resources projects such as the schemes like the mammoth Karnali Project

presented supported by twenty specialized annexes. Karnali Chisapani Project has been found to be extremely attractive. It would be possible to generate power on a large scale to supply to the Indian market at low cost. It is regarded that the cost of the Karnali power could be roughly half that of the alternative generation sources. It is pointed out in the feasibility study report that there are very few other sites in the world at which a river of this size could be so readily dammed and raised to such a big height.

Karnali Project Not Needed

Nepal does not need to build Karnali or other very large storage dams to supply water for irrigation in Nepal. The natural flow of the Karnali river itself is more than sufficient to provide all the year round irrigation across the Western Terai. We have full right to draw water from the Karnali river for irrigation. The 1966 revised Kosi agreement, which is the latest trans-boundary river agreement between Nepal and India, serves as a precedent that has helped to establish that both the countries recognize our country's full right to draw water for irrigation in Nepal..

Vast Irrigation Potential

The Karnali Project has the potential to provide net irrigation benefits to India that could be as much as two times greater than the power benefit. If Nepal and India agree to follow the principle of sharing of the downstream benefits as laid down in the Columbia River Treaty between the USA and Canada, Nepal could have virtually free of cost the Karnali Power Project (scaled down). The economic potential of the Karnali Project would be lost forever if arrangements are not made well in advance to recover the irrigation and other downstream benefits.

India has already built a diversion barrage across the Karnali river not too far away from the Indo-Nepal border to draw water from this river for irrigation in India. The canal network has already been developed. The left bank canal has been planned for irrigating 1.2 million hectares. Similarly, the right bank canal known as the Sarda Sahayak Canal connected with the Karnali barrage by a 28 km long Link Canal is planned to irrigate 2.0 million hectares.

Unfortunately most of the decision makers in Nepal whether they are economists or politicians or bureaucrats are not seen to be knowing about the difficult problems a country has to face in development of large water resources projects. We do not appear to be realizing the fact that we will have to struggle very hard if we really intend to develop in the interest of our country large water resources projects such as the schemes like the mammoth Karnali Project.

Downstream Benefits Sharing Principles

Irrigation in India is going to be the main component of the downstream benefits to be accrued to Nepal from the Karnali Project. However, Nepal must reach an agreement with India on benefit sharing before we take decision to implement the project. At present the upstream country Canada is receiving 50% of the net downstream benefits from the USA for the use of the regulated flow of the Columbia River after the construction of storage dams in Canada. Similarly, the landlocked Lesotho is receiving 56 percent of the net downstream benefit from the South African Republic. Nepal should seriously do its homework to convince India to agree on terms of repayment to our country a reasonable percentage of the downstream irrigation benefit to be accrued to India from the use of the regulated flow of the Karnali river. We should never decide to implement the Karnali Project before settling with India the downstream benefit issues.

Nepal Could Be Misled

Most of us particularly those at the decision making level are not still fully aware of the enormity of the Karnali Project downstream benefits and the proportion of such benefits that Nepal could hopefully expect to recover from India if our government in all seriousness conducted negotiations with that country. In the past few multinationals even tried without the slightest hesitation to mislead our government into believing that the magnitude of the Karnali downstream benefits is very insignificant by comparison with the power benefits. We were suggested to forget about the downstream benefits. They were trying to convince us to believe them by telling us rhetorically that it is the dog that wags the tail but not the tail wagging the dog. What they mean is that the power benefit is the dog and the vast downstream benefit is only the tail. Nepal should be very careful not to be taken in by misleading reasoning of the private developers

Multinational ENRON

At a time when the American multinational ENRON for the first time approached our government to grant permission to develop the Karnali Chisapani Project exclusively for power generation, a report was published in the WECS journal(September, 1997) on the Karnali downstream benefits that helped to delay the decision to award the Karnali Project. The Karnali Project was thus saved at that time.

The ENRON made another attempt to acquire the Karnali Project exclusively for power generation. It has been described in an article published by the former Managing Director of the NEA Mr. SB Pun. He has written "...When the Deputy Prime Minister Ms Shailja Acharya, wrote to the Enron executive to defer their license application until a suitable environment (read downstream benefits) is created, all hell broke loose. Our Parliamentarians were so much educated with the virtues of private sector and foreign investment that even her own Congress Party wailed and bemoaned that she had killed the goose that would have surely laid the golden eggs." When Ms. Shailaja Acharya tried to justify her decision to defer the license in the parliament, house virtually exploded with outrage. She was prevented from delivering her reply in the parliament.

A Good Advice

Some foreign well wishers of our country deeply worried about our weaknesses have given us highly valuable advices. Mr. Paul D. Terrell from the Bechtel International of the USA, who was chief adviser consultant to the Karnali Chisapani Project, in an article published in the journal "HIMAL" has given Nepal few very important advices. (a) Nepal can decide NOT to build the Karnali Project, but Nepal alone cannot decide TO BUILD the project, (b) Nepal should beware of unintentional "give away" in hydro development, and not rush to compromise the optimum development for the sake of a quick deal. (c) The present institutions should be wary of giving away Nepali children's rightful inheritance. ■

(Dr. Thapa writes on water resources)

Green Nepal Party For Liberal Democracy

The Green Nepal Party (GNP) has hailed the success of recent people's movement. "Our Party congratulates the people of Nepal for their success of People's Movement and feels proud of their sacrifice and bravery. Movement of 2006 has added another dimension to the achievement of 1990's movement whereby the Nepalese people have become Sovereign and House of Representative all powerful."

"The brave Nepalese people through "Movement" has directed seven party alliance and CPN (Maoist) to decide about Multiparty Republic or Ceremonial King through election of Constituent Assembly. Green Nepal Party welcomes reconvening of House of Representative on April 24, 2006, declaring itself as supreme authority and its political decisions to curtail the power of the King. Council of Ministers formed under the council of the Prime ministership of G.P. Koirala on the strength of peoples movement should hold peace talks with Maoists and establish peace in the country as wished by the people," states a press release signed by the party chairman Kuber Prasad Sharma and president Pushpa P. Luintel. The release was issued after the meeting of the central committee on June 16.

"Our party wants the United Nations and friendly countries who wished success for people's movements should also extend their co-operation to the government of Nepal in their task of holding peace talks, weapons management and holding fair and fearless election of Constituent Assembly. People's verdict is binding to all. Our party, since its inception (1996), has been advocating for participatory system of representation, Upper house to be represented by ethnic people and women to be given 50% representation everywhere. Also our party has regularly conducted awareness program "Clean Politics and Clean Environment". In forthcoming election of constituent assembly, our party will campaign for Liberal Democracy, Economy, and Human Rights and against Corruption, bad governance, Nepotism and Authoritarian Institutions."

The party has urged the Nepal Government to sincerely work to "ensure participation of all ethnic groups and ideologies. In order to get national consensus and to avoid controversies, government should study policies and practices followed by countries like South Africa and Ireland, it said. ■

ECONOMIC OUTLOOK

Saving Grace

The sustained increase in the inflow of remittances has helped increase the purchasing power of the people

By A CORRESPONDENT

The increasing remittances have helped to increase the disposable income of the people. According to a new instrument called Gross National Disposable Income (GNDI) prepared by the Nepal Rastra Bank (NRB), the GNDI is increasing at the rate of 9.1 percent.

In the current fiscal year, this rate is expected to increase up to 12.3 percent. Likewise, the remittance amount is expected to increase by 45.3 percent in the current fiscal year. Last year, remittance amount of Rs 65.54 billion entered into the country. This is the



Overseas workers: Aiding economy

amount of remittance that has entered the country through official channels. If those coming through unofficial channels are also included, then the amount is certain to rise considerably.

The remittance has helped positively in the deposit collection, balance of payment and foreign exchange reserve.

Last week, while informing about the latest economic outlook, NRB governor Bijaya Nath Bhattarai said that the government's expenditure has increased by 13.3 percent in the first nine months of the current fiscal year compared to the corresponding period a year ago. However, the growth of revenue collection stood at mere 0.1 percent. The government had, in fact, aimed to achieve revenue growth of 14 percent this year.

He said that currently the government's budgetary situation is in deficit of Rs 6 billion excluding local authorities' deposits with banks.

During this period, total exports increased by 10.4 percent. Exports to India rose by 16.2 percent in 2005/06 compared to a growth of 20 percent in the same period last year. Exports to other countries declined by 0.3 percent in the review period compared to a decline of 14.1 percent last year.

Total imports increased by 22.2 percent compared to 6.4 percent in the corresponding period of the previous year. Imports from India increased by 29 percent while imports from third countries increased by 12.6 percent. Among the imports from India, imports of goods like petroleum products, rice, yarn, medicine registered the increase.

Total trade deficit has registered a growth by 30.2 percent compared to an increase of 7.1 percent in the last year during same period. During this period, the National Wholesale Price Index increased by 7.9 percent.

At present, the total foreign exchange reserve at the NRB stands at Rs 150.94 billion. This reserve increased by 16.2 percent during the review period. Recently, the Central Bureau of Statistics had estimated that the GDP would grow by merely 2.3 percent this fiscal year.

NATO's Suggestions

In view of the forthcoming budget, Basant Raj Mishra, President of Nepal Association of Tour Operators (NATO), submitted an 18-point recommendation Finance Minister Dr. Ram Sharan Mahat. "NATO feels that the points included in the letter will assist in bailing out the tourism industry from the current situation and achieve its potential capacity," states a press release by the association.

The NATO's suggestions include regaining lost confidence through effective tourism marketing; enhancing competitive strength of local tour operators; declaring tourism as a national industry; and refraining from changing the existing tax structures. "No new taxes or fees should be introduced in the upcoming budget," the release adds. Likewise, the association has urged the minister to encourage international flights/ charters for high inflow of tourists and develop tourism infrastructures.

The association has called for strengthening the national carrier and providing incentives to sick industries. Furthermore, the association has also advised the government to take stringent action against willful defaulters. "Crisis in the banking sector of a country would mean a crisis in the entire economy. It is thus, those who disobey to repay their loans to banks, despite having the capability to pay, should be penalized," the release states. The association has also advised the government to form a "participatory high-level independent body for tourism promotion and grievance handling." ■

Meanwhile, speaking at a public program in the capital, Finance Minister Dr. Ram Sharan Mahat said that achieving seven percent growth of GDP is possible if the country can improve business confidence and investment climate. He added that 30 percent of the total GDP should be utilized for investment to revive the sluggish economy for the purpose. ■

GENDER IN UN REFORM

Time To Empower

Gender activists appeal for a resourceful and powerful nodal agency in the UN for women empowerment and development

By SANJAYA DHAKAL

At a time when the whole world is debating over the issues of reforming the United Nations to meet the challenges of the 21st century, the gender activists and civil society organizations have called on the global body to set up a resourceful and powerful nodal agency to carry out the challenging works of women empowerment.

Just as the UN has a separate nodal agency like UNICEF to work in the field of helping children, the activists have demanded that such agency be set up to work for women. "There is, indeed, an agency (for women) called UNIFEM, which has been doing a commendable job. Unfortunately, the UNIFEM has not been provided with adequate resources and authority," said Bandana Rana, a leading activist and former chairperson of National Women's Commission. Activists lament what they call as 'meager' budget, resources and authority to the UNIFEM compared with the vast responsibilities it has to shoulder.

"Compared to other agencies like UNICEF, UNIFEM gets paltry budget. It also is not able to conduct country programs," said an official at the UNIFEM office. Besides, it also has structural weaknesses.

"UN reform without a separate, definitive track for women is a travesty. The vehicle that would seem, on the surface to best embody the hopes and needs of women is UNIFEM, the UN Development Fund for Women. But (presently) its not even an agency, it's a mere department of UNDP, and it has a budget so modest and staff so small as to belie any possibility of an agency on a grand scale. I don't belittle UNIFEM, it does its best, but its best is shackled by a lethal combination of parsimony and misogyny within the international system," stated Stephen Lewis, UN Special Envoy for HIV/AIDS in Africa, criticizing how the

women's issues are not getting the attention they deserve.

Women activists around the world are pushing for creating an independent strong women's agency led by a high-level official with autonomy and adequate resources. "And given the past track record, UNIFEM has the potential to work most fruitfully for the sake of women if it is scaled up and provided with resources and authority," said Rana.

The campaign to strengthen the women's body in the UN has gained speed after the Secretary General Kofi Annan formed a high-level panel in February this year. The panel comprising fifteen members including heads of governments will recommend the SG on UN System-wide Coherence in the areas of Development, Humanitarian Assistance, and the Environment. Later on, as per the appeal by the women activists, the SG has expanded the mandate of the Coherence Panel to include both "gender equality architecture" of the UN and gender mainstreaming, and has made gender equality a cross-cutting issue for all three themes.

The Panel is expected to submit its recommendations by the end of August 2006 in order to go to the General Assembly in September.

Women activists in South Asia have spearheaded the campaign to strengthen UNIFEM in the forthcoming UN reform process. A delegation of South Asian women who have been working for women's rights and development recently met with Prime Minister of Pakistan Shaukat Aziz, who is a co-chair of the Coherence Panel, to put forth their demands in the process of UN reform.

"We understand that the UN Reform Process will review and make recommendations on gender architecture in the UN system. We would like to draw your attention to UNIFEM's role and responsibility as the agency within the UN System working holistically and with consistency on gender equality and

women's rights. This agency emerged in 1976 from the call of the women's movement to the General Assembly for creating an institution with the mandate and resource to give visibility and voice for women's rights and their implementation. However our experience show that UNIFEM was not given the structure, position and resources to lead agency on women," leading women activists from South Asian countries stated in a written letter they handed over to Aziz during their recent visit to Islamabad. The signatories of the letter include Prof. Savitri Goonesekere (Sri Lanka), Prof. Pam Rajput (India), Prof. Hameeda Hossain (Bangladesh), Prof. Mahmuda Islam (Bangladesh), Bandana Rana (Nepal), Dr. Chandra Bhadra (Nepal), Nigar Ahmed (Pakistan), Khalida Salimi (Pakistan) and Maria Rashid (Pakistan).

"We trust that UNIFEM will be recognized as a high-powered nodal agency to carry forward the agenda for gender equality. If such a nodal agency is not created there is a danger that all the gains of the past three decades on gender equality and women's rights will be completely undermined," they further stated.

South Asian women activists have hailed the contribution made by UNIFEM in strengthening partnership between civil society and governments, strengthening South Asian Regional Cooperation, giving visibility to women's economic contribution and gender inequalities in data collection processes, implementation of Beijing Platform for Action (BPFA) and Convention on Elimination of All Forms of Discrimination Against Women (CEDAW). In South Asian countries, including Nepal, activists are engaged in signature campaign, among others, to press for scaling up UNIFEM in the future UN reform initiative.

In Nepal, UNIFEM has been credited with successful policy advocacy on various areas including the promotion of rights of migrant women workers, anti-trafficking program, recognition of home-based workers, following up of BPFA, gender responsive budgeting, advocating for women participation in peace process and so on.

As such, it will be in the interest of entire world if the international body like UN takes note of the campaigns being launched by women across the globe calling for effective strategy and structure to deal with the gender-related problems. ■

POLITICS

Beginning Of The Great Game

After the signing of a new eight-point agreement between the government and the Maoists (June 16), Nepal has entered into a new phase of political uncertainty and chaos as whatever was achieved after the promulgation of the Constitution of Kingdom of Nepal 1990, all seem to be on the verge of demolition one by one. Insurgency was able to destroy mainly the physical infrastructures inside the country. The leaders of reinstated House of Representatives under the august leadership of octogenarian leader Girija Prasad Koirala has destroyed the whole values and precedents of democratic governance that had evolved step by step during the last fifty years. Sandwiched between China and India, two big powers with unsettled borders problems, Nepal's geo-strategic reality and its position cannot be changed just by drafting new constitution, roadmap or adjustment and readjustments of political alliances

By KESHAB POUDEL

The CPN-UML general secretary Madhav Kumar Nepal, who is used to play all kinds of roles in the great game of political destabilization in the last fifteen years and who was instrumental to prepare a highly controversial proclamation of the House of Representatives, faced one of the hardest time in his political life to convince his party comrades at the

standing committee about the need to endorse the eight-point roadmap signed between the seven party government and the Maoists.

Resentments expressed by CPN-UML's top body was understandable as the new roadmap is a death warrant to the House in which the CPN-UML and its members were enjoying all kinds of state privileges as the second largest party.

Similarly, the voices of dissensions are also emerging from other members of seven

party alliance. From ruling Nepali Congress to Nepali Congress (Democratic) and Nepal Workers and Peasants Party (NWPP) to Nepal Sadbhavana Party-Anandidevi and two factions for Rastriya Prajatantra Party, all of them opposed the way the roadmap was prepared hastily declared on June 23.

"The important issues like the dissolution of the House of Representatives and the formation of a committee to draft the interim constitution were taken without any prior



Joint press meet with Prachanda (center): Dramatic development Gorkhapatra

discussions among the seven party alliance," said Narayan Man Bijukchhe, chairman of Nepal Peasant and Worker Party. Prime Minister Koirala signed the new road map following his meeting with Maoist chairman Prachanda in Baluwatar on Friday (June 16).

Even many senior leaders of prime minister Koirala's party including Ram Chandra Poudel and Arjun Narshing K.C. were unaware about the new development – which was announced following the one-to-one meeting between PM Koirala and Prachanda. They are still unsure how the new deal will be implemented.

It is reported that Home Minister Krishna Sitaula and NC leader and nephew of PM Koirala, Shekhar Koirala were the main players behind the latest roadmap.

"Party leaders must answer who proposed the dissolution of House of Representatives and the formation of new interim government when Maoists are yet to give up violence and terror in the country," demanded NC leader Arjun Narshing K.C. "As long as Maoists do not shun the violence, there is no question of bringing them in interim government."

There are opposition within the political parties and their leadership regarding the new roadmap and the question of its implementation. After the promulgation of interim constitution, the life of House of Representatives, which itself unconstitutionally claimed to be the

supra constitutional body, is going to be the first victim.

"Leaders - who were confident to be the prominent and lasting beneficiary of the changes, have lost their confidence. In a new situation, leaders of the political parties in the parliament are the greatest losers - perhaps more than monarch. The King has, at least, an assurance of ceremonial role till now but the present leaders in the parliament have no assurance for even status quo until the elections for CA is held. After prime minister Girija Prasad Koirala returns from health treatment in Bangkok, all the politicians of present parliament may have to go out lock, stock and barrel," said a political analyst.

Although there are massive opposition within the parties' ranks and file, no one is in a position to challenge the roadmap and condemn the agreement publicly. The leaders of seven parties - who had committed the unconstitutional work through the House of Representatives to the extent of declaring themselves as the state - have now option now other than to search for their places in the new political reality.

"For the sake of peace, we need to respect the agreement signed with CPN-Maoist. If Maoists honestly follow it, the country will see a new phase of peace and development," said CPN-UML general secretary Madhav Kumar Nepal, addressing a joint press conference with the Maoists. A day after signing the

agreement he complained that he did not find enough time to correct it.

Many political leaders vehemently opposed the agreement privately but they are compelled to support it in public. Though hastily formed interim constitution drafting committee does not have representation of women, Dalits and Janajati, no political leaders had the guts to come out against it.

"Nepal is in a whirlpool of political instability of a unique feature in which its leaders and actors seem to be quite confused when they express their dissatisfaction in private gossip but cooperate obediently and without any note of dissent in public," said the analyst.

Government-Maoists Agreement

Unlike previous two rounds of talks held in July 2001 and January 2003 between then governments and Maoists, the third round of talks has produced results amazingly.

Just within a month of negotiation, both the parties agreed upon a settlement package. The third round of talks began following the fourth ceasefire in April 26, 2006. The government and the Maoists held their first round of talks in Kathmandu on May 26, 2006 in Gokarna resort. The second round of talks was held in June 15 in Hotel Himalaya. The final negotiations among top leaders of the government and the Maoists took place on June 16.

The June 16 agreement – which was signed in Prime Minister's Residence in Baluwatar, consists of five major issues. They agreed on an eight-point agenda, which has, among others, agreed to frame an interim statute, an interim government, declare the date for an election to a Constituent Assembly and invite the United Nations for decommissioning of weapons, dissolve the revived House of Representatives and the Maoists' People's Governments based on mutual understanding.

"Destabilization of the previous order appears spontaneous and uncontrolled. An unseen power is the real determinant of the present situation of Nepal than the seen powers in the street and the parliament," said the analyst. "This is a fact, which large

number of people seem to be knowing by their own observation but there are very few who get space in the press.”

Following the agreement, the government also announced six-members Statute-drafting committee under the chairmanship of former Supreme Court judge Laxman Prasad Aryal. The members are Sambhu Thapa, president of Nepal Bar Association, advocate Harihar Dahal, advocate Mahadev Yadav, senior advocate Sindhunath Pyakurel and advocate Khim Lal Devkota.

All these events unfolded in such a dramatic manner that nobody believed the rebel leaders - who waged such a bloody war in which 13,000 people were killed - could agree in such a magical mood. At a time when many firebrand leaders in the Maoist party are yet to issue the statement publicly, nobody can predict its final outcome.

“There had been prediction of this situation by experts on Nepalese affairs like late Leo Rose and political activists like B.P. Koirala,” said the analyst. About thirty years back when B.P. risked his life, there was this apprehension in his words described in the statement issued on December 30, 1976 upon return from foreign exile, - “Today, our country is in a national crisis. All have realized that this crisis is getting heightened since the last few years... In the history of every nation there comes moment when it its people have to risk their lives to safeguard the national identity.”

“Unfortunately, that ideal hardly creeps in the mind of even his own party’s leaders and his kith and kin. It was hardly expected from radical leftists to carry on their mission because this force has always been used as a destabilizing one and that ends once their utility ends for an unseen machination,” said the analyst.

Events After

Royal Proclamation

Since the Royal Proclamation of April 24, a series of events followed one after another. Till the time of Royal Proclamation, public was given a six-point roadmap in which the most prominent was to reactivate the constitution fully through the reinstatement of House of

Representatives. The parliament was ordered to be assembled by a Royal proclamation - all the members followed that without any murmur and resumed functions as parliamentarians of the normal times within the constitution.

“Soon after the reinstatement of House of Representatives, a new roadmap suddenly appeared as CPN-UML leader Subash Chandra Nembang was elected as the Speaker but he did not take oath in accordance with the constitution, which reinstated him and the HoR. In a demagogue style by framing of pledge by his own discretion, nobody in the HoR questioned the constitutionality of that pledge because no one

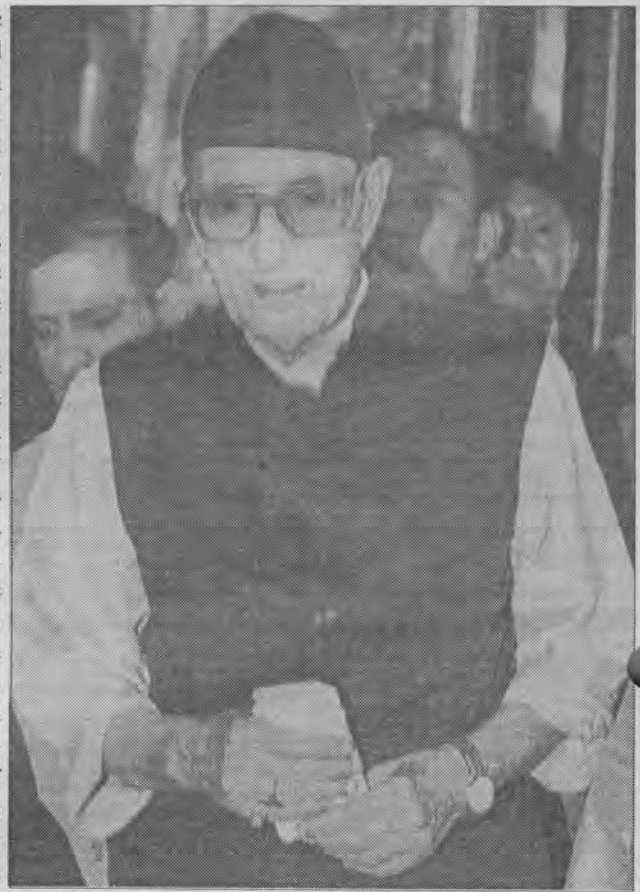
was prepared to claim for a dignified and constitutional role of opposition leaders,” added the political analyst.

The house before the dissolution had a division of treasury and opposition benches. After its reinstatement, people suddenly found that the demarcation between the two was erased and there was not a single voice of dissent.

The next phase of politics from HoR started with an amazing concept of constitutional law. Nobody knew where and by whom the declaration of the HoR was drafted.

When it was suddenly read out by the Speaker of the House of Representatives Subash Chandra Nembang, some prominent constitutional lawyers talked about unlearning their previous knowledge of constitutional law.

A few had been trying to do that in their faltering spirit but for most of them they were quite the exercise of stupidity. In the previous acts, some have come



Koirala: What next?

out with their critical views and some have made harsh comments. However, this declaration had no logical sense except to ensure the sharing of power by the present combination in the parliament.

“And soon afterwards, there came out another roadmap suddenly and out of the blue. After a so-called summit meeting at the PM’s residence - prime minister Koirala who himself was unable to appear in the public because of his health, but the destiny imposed upon him was so persistent that he had to complete that deal even from his sick bed. This has come as a bumper game to new entrants in the national politics and for too many it has come as a death knell,” said the analyst.

Like supporting HoR’s unconstitutional acts, leaders of seven parties signed the new roadmap, which is like their death warrant, prepared by Nepali Congress leaders Girija Prasad Koirala and CPN-Maoist leader Prachanda without any opposition.

Revolutionary of one time can hardly maintain their fervor appeal forever. Leaders of CPN-UML had emerged into the public in the same dramatic fashion as Maoists of present day after the change in 1990. And now a new batch of revolutionaries has burst into the public forum in Nepal to the extent of gaining the power without any competitive election by sovereign people.

Nepal has a long history of getting rules without a popular voting. Whatever was achieved after the promulgation of 1990 constitution, all seem to be on the verge of demolition, one by one. Insurgents were able to destroy mainly physical infrastructures inside but the leaders of reinstated house under the august of leadership of octogenarian leader destroyed the whole values and precedents of democratic governance that had evolved step by step during the last fifty years. Now everything appears fluid with uncertainty. "No one knows what will happen to the party which the prime minister is leading at present. In the next roadmap, it may be no wonder that even the present prime minister Girija Prasad Koirala may meet the same fate as others in the parliament," predicted the analyst.

Until now there is no basis to suspect the possibility of holding the election for the CA. However, it is a million rupees question whether a democratic constitution may come through CA. Who is there to ensure the competition of that task by a popular vote and democratic procedures? The King has been stripped off power, the parliament will be dissolved very soon and the interim constitution is not expected to build up any popular institution overnight to get all these things done.

Nepal's Geo-strategic Vulnerability

As Nepal is a small buffer country between India and China, the country is always vulnerable for instability. Their small reaction can jolt Nepal's institutions and rock the country. India - which shares more than 1600 kilometer border has security and other high stakes in Nepal - reportedly backed the latest deal. Along with India, China - which also shares more than 1400 kilometer border with Nepal - has yet to express its views. As China, overtly and covertly, has expressed its concerns about open border with India, strong presence of a large number of Tibetan refugees in India and Nepal, the recent political events in Nepal has created uneasiness in the north.

"The present situation in which India has reportedly played unseen role must have created anxieties on the other side of this country - that is China," said the political analyst.

That is not a mere figment or imagination in recent political crisis of Nepal. Some clear headed journalist of India like Sunanda Datta-Ray, Swapan Das Gupta and Kanchan Gupta's views have come with sensitive and realistic assessment. Ray described in his words in The Telegraph, "Yet, the charge that India played the mid-wife in bringing together the Communist Party of Nepal (Maoist) and the seven parties suggests just this. India has no permanent friends in the landlocked Himalayan Kingdom. It has interests and limited options."

"The crisis of this country has reached into to such a level that it can't remain the same for long. Either this has to come down to the previous situation of the stable constitutional process of parliamentary democracy or it will deteriorate further compelling the other power to react and retaliate," said the political analyst.

"Nepal is in a very delicate geo-political situation in which peace, stability and its national independence is more a guarantee of security of both neighbors. This status quo can be disturbed by any of the neighbor at the risk of inviting retaliation by the other."

Indian prominent leader Ramakant in his book Indo-Nepalese Relations writes, "A question can be asked as to why Indian government did not annex Nepal, which was so important for the safety of its northern frontier. Mainly it was due to the fear of Chinese."

"This assessment is valid even now as it was during the British India. Some short-sighted chauvinists from the south seem to have prevailed over sensible persons in the power," said the analyst. "Nepal again is likely to suffer serious damages to prove the time-tested conclusion of the history."

From peace to political process and fate of political leaders, the new roadmap has jolted everything as there appears fluid and uncertainty in the country where the peace is still elusive. ■



House Of Representatives: Latest victim

“The Country Will Not Be Able To Sustain Democracy Or Manage The Change Without Achieving Economic Prosperity”

— PROF. DR. SURYA SUBEDI

“what Nepal needs now is a political system, which is supportive of economic development. Unless and until, we achieve economic prosperity, the country will not be able to sustain democracy or manage the change, which has been taking place.”

Professor Dr. Surya Subedi is a well-known name in Nepalese law circle. Professor of International Law at the University of Leeds in the United Kingdom, Dr. Subedi briefly visited his home country just a few weeks after the formation of new government and the revival of the House of Representatives. Although he lives in London, Dr. Subedi closely monitors the political events taking place in Nepal. He has written a number of books including one on Nepal-India relations. He spoke to KESHAB POUDEL on various issues of current political and constitutional impasse in Nepal. Excerpts:

Some intellectuals here in Nepal have been talking about the need for an inclusive democracy. Being a professor of law, how do you feel about the addition of adjective in front of democracy?

In my opinion, the concept of inclusive democracy is a good one. That's what is needed in a country like ours. People belonging to different ethnic, linguistic and religious groups should have a say in the governance of the country. But also at the same time, I am of the view that the democracy itself is an inclusive system. Each and every citizen has a voting right and they can exercise their right to choose their representatives. These representatives elected by the people can say what they have to say on behalf of the people. That's why we have to work out a system - which strengthens democracy rather than weakening democracy. First and foremost, we are Nepali, then secondly we are Nepali voters and thirdly we have other distinct identities. Why Nepal stands as a nation is because we all are Nepalis. That is our first identity and that identity should be strengthened. Then only, the nation will remain as a solid, integrated and sovereign nation.

How do you address the problems of others?

So far as the inclusiveness is concerned, may be there are expectations on the part of various ethnic and linguistic groups. That should be addressed but there are different ways of addressing these issues. If we don't have the concept of inclusive democracy in constitution itself, it does not mean you can't address the problem. Some of the problems could be addressed by enacting laws providing for whatever reservation is justifiable or whatever access to power and

government that the people need. That can be worked out even through the decision of the cabinet, by laws.

How can you include all these things in the constitution?

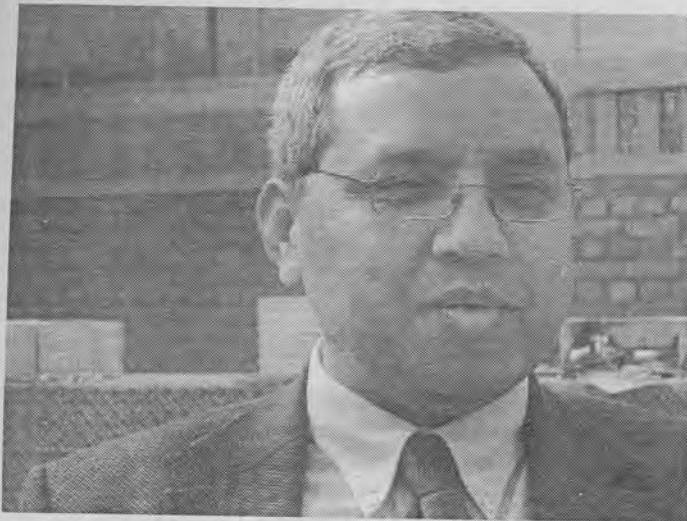
The constitution itself does not have to include everything that people are demanding for. Otherwise, that constitution will be a big one, a lengthy one and perhaps a difficult one to implement. My experience shows - I am a student of international law - in the past, the international community had negotiated many international treaties and these were wonderful treaties, more or less accommodating interests of all the nations but they were very difficult to implement. We need a constitution, which is a workable one. If you include in the constitution anything and everything for everybody, how effective that constitution will be in practice? We need to move forward.

What kind of political system Nepal requires now?

In my opinion, what Nepal needs now is a political system, which is supportive of economic development. Unless and until, we achieve economic prosperity, the country will not be able to sustain democracy or manage the change, which has been taking place. The main emphasis in my opinion should be on developing our economy providing people better quality of life and improving their standard of living. To ensure that, we have to work out a constitution which, supports our aspiration for economic development. All these other things, which are being debated now should be taken into account. I am, in principle, supportive of inclusive democracy. But the modalities the people are proposing now, I am not quite sure whether that is the correct modality. A lot of work has to be done in this area.

Do you mean democracy needs adjective?

There is, indeed, a country, which is the least democratic - North Korea, which is known as People's Democratic Republic of Korea. That country has so many adjective but in reality people don't have democratic rights. So by just adding adjective after adjective to the notion of democracy, you are not going too far. I think within democracy itself we can pay adequate attention to the aspiration of people belonging to different ethnic groups within the country. That's how I see things evolving in the years to come.



How do you see the role of interim constitution in managing the transition?

Well, the issue of Constituent Assembly has become one of a national consensus. Maoists and seven party alliance have also accepted it. They will hold the elections within a year. Having said that, there are other possibilities. At the end of the day what you want to achieve are stated objectives: empowering people, women and people belonging to different ethnic groups. How do we empower them? Would just having a provision included in the constitution suffice? You need to act and you need to take certain concrete steps. You can adopt different modalities.

How do you see the role of monarchy, then?

If the monarchy is the main issue, perhaps country could hold referendum on that. If people decide on its fate, then constitution could be drafted according to it. If the main issue is solved, then people will decide other issues of society. Whether ceremonial monarchy will remain or not is not a main issue but it is likely to be the main issue during the elections of constituent assembly. I think people want the monarchy without political power. If monarchy is going to be ceremonial or harmless institution, which can only be seen as a symbol of national identity, continuity of our historical tradition, then with those ceremonial purposes, the monarchy could stay. I have no problem with it. However, if these problems are not settled, they may affect other broader issues facing Nepal.

What is your response to the recent actions of the House of Representatives?

There seems to be certain confusion on parliamentary sovereignty and parliamentary supremacy. People have not understood the concept of parliamentary supremacy and parliamentary sovereignty. The House of

Representatives had exercised the parliamentary sovereignty. When HoR exercised such power, it must work under the broader overarching parameter of the rule of law, democracy and separation of power, check and balance and independence of judiciary. These are overarching issues. In a democracy, HoR is not free to go beyond the established norms and rules of law. That should be taken into account very carefully by any political party within the country. In the days to come, I believe the MPs of HoR will pay due attention to the rule of law. If we violate principles of rule of law, another power or another government,

which may come to power in future will do the same thing. There were also possibilities to go for amending or incorporating the proclamation issued by House of Representatives in the constitution.

How do you see the status of proclamation as the country is headed towards framing an interim constitution?

While having a new interim constitution replacing the present one, you need to have a comprehensive document to accommodate and incorporate whatever decisions were made in the past. It's a massive undertaking and it may divert the attention of the people from main issue confronting the nation. Now the people's expectation has risen. People are expecting so much from politicians. One of the things politicians can give to the people is right to vote for constituent assembly. Give people the ownership; every one acknowledges that people are sovereign. Next challenge will be to make workable constitution through CA which takes into account our indigenous characteristics. There is no perfect model available in the world. Different countries have gone through different exercises. They have different experiences and their ground realities are different. What are our ground realities and what is our uniqueness, this should be taken into consideration.

In the process of constitution making, Nepal has already experimented five constitution and sixth is now in the making. How can one guarantee that the new constitution will not have to face similar fate as the previous ones?

What we want to make sure is that the present transition must go smoothly, in organized manner and within the framework of democratic principles and the rule of law. If you do your work remaining within this parameter, there will be no person or

“Next challenge will be to make workable constitution through CA which takes into account our indigenous characteristics. There is no perfect model available in the world. Different countries have gone through different exercises. They have different experiences and their ground realities are different.”

authority to challenge the process adopted by the current political leadership.

What are the challenges for Nepal now?

One thing I am worried about is we are constantly engaged in Janadolans where political issues dominate the debate of day. We are unable to debate on economic and developmental issues, which are going to be major issues. I think the time has come now to sit down to make constitution as best as we can and move to broader economic issues. If you see India's GDP, which is around 8-9 percent. China's GDP is much higher. Most of the countries are gradually moving from low income to middle income within a few years. Whether we will be able to move from least developed to middle developed countries, that will be the test. People are expecting something from democratic government. Whether the government will be able to deliver it or not and whether the constitutional framework we are taking about today will allow the government of the day to deliver or not remains to be seen.

How do you look at the debate on the electoral systems like proportional representation and first-past-the-post?

Whether you adopt proportional representation or first-past-the-post, the main challenge is what sort of government we want to have. If we adopt the PR system, we may have forever a hung parliament, which may not be able to take decisions and implement them. There will be constant horse-trading and we may return to the 1990s. Do we have political culture that supports the government? Almost all European countries have proportional representation but they have already achieved political maturity. Having produced best constitution, the practical implication of that one may be unstable governments. There is possibility to have frequent political instability and horse-trading, alliances and re-alliances in government-making. In the name of making Nepal's constitution inclusive one, we may run the risk of creating a political system which may not provide stable political system. Given enough time we may have leaders like B.P. Koirala, Madan Bhandari or foreign leaders like Lee Kwan Yew with a vision for the country. If they have popular mandate, why not they should be allowed to govern the country for four or five years?

How do you see the role of Nepal's two neighbors in the context of continuing political instability?

We have reasonably cordial relations. In spite of the initial reactions or non-reactions from the Chinese part, I don't think they have any wish to interfere in Nepal's political affairs. India also seems

to have facilitated some sort of negotiations between certain political parties. Whether they had direct role or role of facilitator remains to be seen. Historians will find out what role India had played that time.

Do you see any changes in Indian policy towards Nepal following the visit of Nepalese prime minister?

After prime minister Girija Prasad Koirala's visit to India, all the indications are that India is willing to become magnanimous and has a broader vision vis-à-vis Nepal. Unlike in the past, when India had been conservative in her approach to Nepal, they can now afford to have a rather broader vision. India has aspiration to secure a permanent place in Security Council. If they regard themselves as a potential world leader, they need to have at least their neighboring countries supporting them. Then only India's claim for Security Council membership will be justifiable. If India cannot sort out her relations with smaller nations like Nepal, Bhutan and Sri Lanka, how can they claim permanent seat at the high table? Indian leaders can do so many things to champion the cause of developing countries. India's voice is heard more than other smaller or weaker nations. India can play such a constructive leadership role championing the cause of developing nations at international level. This is the area where the leadership of India will be tested.

What will be the role of China?

So far as China is concerned, their preoccupation is their economic development. They are not terribly interested in traditional forms of Maoist foreign policy and exporting communism. If you have economic approach, they will support it.

Don't you think they require peace and stability in their neighborhood?

Absolutely, they want peace and stability in the region. As I see the relations between India and China is growing more mature and closer. Though they have a big challenge, they have to compete with bigger western countries. If they start to quarrel among themselves and devote the time and energy to petty issues, they will not be able to rise to the level required to assert rightful place in the galaxy of nations. Nepal should not be a major thorny issue for any of them. Neither India nor China can afford to do that. They want to see a peaceful and stable government and our principle of maintaining equilibrium and equidistance with both of our neighbors. We should always be mindful of the need to maintain our political neutrality, our traditional policy of non-alignment and equidistance and equilibrium. I think these issues will matter a lot in making sure that Nepal remains an independent and sovereign nation. ■

"If we adopt the PR system, we may have forever a hung parliament, which may not be able to take decisions and implement them. There will be constant horse-trading and we may return to the 1990s. Do we have political culture that supports the government?"

CONSTITUENT ASSEMBLY

Sharing Experiences

An American professor stresses on the importance of 'right procedure' for fruitful constituent assembly

By A CORRESPONDENT

With the objective of sharing the international experiences on the process of constitution making, the American Center in Kathmandu last week organized a Digital Video Conference with an American professor based in New York.

The American Professor of Constitutional Theory stressed on the "right kind of process" for the successful holding of constituent assembly. Participating in a Digital Video Conference from New York, Professor Andrew Arato said that the CA is a lengthy process that takes up between 6 to 9 months in minimum.

"Elected CA is a *sine qua non* for democratic constituent assembly," he said, adding that a simple majority rule should not dominate the constitution-making process. "A multi-stage process is appropriate to win the ownership of the whole process," he said.

Professor Arato said that while issues under discussion in Nepal were similar to the issues that cropped up elsewhere, the triangular power base in the country was its unique feature. Professor Arato added that he believed Nepal could have both the restored parliament as well as a roundtable, which could set procedural rules that will prevent the CA from going haywire.

"You definitely need some planning before the whole process is started," he said. He, however, cautioned that CA is not "automatically a solution to rights of minority." According to him, it is important to inform to the wider public that the mere holding of CA alone were not a guarantee to the solution of all kinds of problems related with exclusion and repression. It needs special attention by all the actors concerned to come up with proper constitution through CA that is both progressive as well as enforceable.

Stressing for a proportional representation electoral system for the purpose of CA, he said, "The first past the post system could give a majoritarian assembly." He added that the country could adopt different electoral system for CA and legislative elections.

The conference was participated by a number of Nepalese journalists. Two panelists - Dhruva H. Adhikari, president of Nepal Press Institute and Badri Bahadur Karki, former attorney general - also took part in the discussion that was moderated by Robert Hugins of American Center. The panelists asked specific questions related with the ground situation in the country. ■

US EMBASSY

Building Partnership

The US is building a new office complex for its embassy and mission offices in Maharajgunj

By A CORRESPONDENT

In a grand construction operation, the US government is building a huge complex in Maharajgunj, Kathmandu to house its embassy and mission offices.

In a place known as "Brahma Cottage," the construction is going on in a big scale and is set to be completed by June 2007. "This project represents the long-term commitment of the American people to the people of Nepal," said Michelle Esperdy, the Embassy's Management Counselor.

Indeed, the building does represent the strong partnership existing between Nepal and the United States. The US Congress has allocated \$ 80 million for the cost of the construction. "The new Embassy and ancillary facilities, scheduled to open in June 2007, will house all offices of the US Mission, including USAID and the Consular Section," states a fact sheet issued by the Embassy.

The construction of new embassies is overseen by the State Department's Overseas Buildings Operations Office (OBO). Caddell Corporation, an American company based in Alabama, is the primary contractor. It has hired various subcontractors including nine Nepali firms and the Turkish firm Enka.



Building Under Construction

"The contractors have hired Nepalese nationals wherever possible. The contractors currently have a total of 350 employees, including 120 Turkish and 210 Nepali nations," adds the fact sheet. "It will add \$ 15 million to the local economy." Caddell has utilized the services of local Nepali consultants for design, soil analysis, concrete testing, earthquake analysis, accounting, legal services and public relations. Various local vendors and suppliers have supplied building materials such as sand, wood, soil, manure, plants, office equipment and small tools.

Earlier, the contractors had faced some troubles after the huge construction efforts there resulted in developing of cracks in the neighboring houses. "But we have negotiated the problems now," said a representative of the Caddell.

Spread over six acres of land, the buildings are among the most earthquake-resistant in Nepal, with a heavily reinforced concrete design. The compound includes the chancery building (four stories in 10,650 square meters), marine security guard quarters (two stories in 767 square meters) and utility buildings. "We needed a better space, which is secure and earthquake-resistant," said Esperdy, when asked why the Embassy wanted a new building.

Besides, in the new complex, the Consular Section will also be conveniently accessible to people seeking visas and consular services. ■

Economics: The Science of Character

By DR. TULSI P. UPRETY

It is difficult to accept but it is a fact that in today's global economic society over 35,000 young children die of hunger everyday. According to the report presented by the United Nations, 2.8 billion of the world's population, two in five live on less than \$2 a day. More than 1.1 billion people do not have access to safe drinking water and 2.4 billion people live without basic sanitation. At the same time the world population is expected to reach up to 9.1 billion by the year 2050. Most of this population growth is going to take place in developing countries, but at the same time, the population of richer developed countries is expected to remain the same. Ongoing world hunger, a widening gap between the haves and have-nots, and worsening global environment leads one to believe that the existing economic theories and policies have made only a limited contribution to making an efficient allocation of scarce resources for fulfilling the most pressing economic needs. Hence, the establishment of a more equitable distribution of income is in dire need.

Economists continue to define economics as the discipline that teaches to optimize limited resources to fulfill unlimited human wants/desires while paying very little or no attention to placing a ceiling on unlimited wants/desires. Economics is not just a science of efficiently utilizing limited resources but also a methodology which can be considered as the science of character, which shapes the choices that we make by placing the ceiling on unlimited wants/desires.

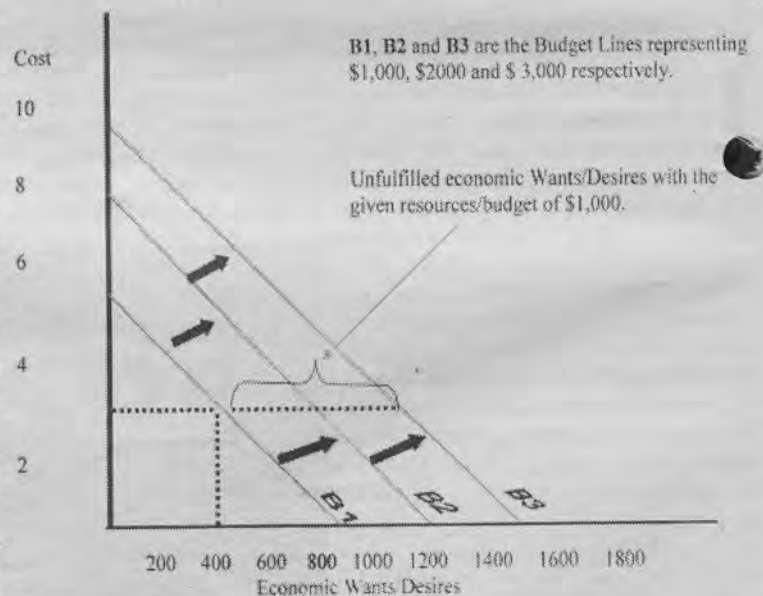
Thus far, economics is defined as the study of how best to utilize limited resources to fulfill unlimited wants. However, economics is not defined as a product of character of human being. Human actions are the reflections of a person's character, society and nation. These actions are the product of economic wants/desires and are driven by unchecked and unlimited wants and needs. Thus, actions taken on economic activities reflect the economic character of a person, society or nation. Consequently, economic choices or decisions are the result of human character. Wrong characteristics lead to wrong economic choices. Since human behaviors and their actions are the products of character, the types of choices depend on the type of character. Therefore, character defines an individual, character defines a community or a nation, and character defines the global society. In other words, our character is our identity. Accordingly, economics is not merely a discipline that teaches us to efficiently utilize limited resources to fulfilling unlimited wants or desires but also the science of character, which shapes economic wants/desires.

If the availability of limited resources is one side of the coin of economics and unlimited wants/desires is the other, then the science of economics has taught us to utilize limited resources in an efficient manner so

that maximum economic benefit can be achieved. Nevertheless, it has virtually ignored the other side of the coin, which states that a limit can be placed on unlimited human wants/desires. The second half of this economic definition is based on the assumption that the wants/desires are unlimited, which implies that the unlimited human wants cannot be controlled to ease the excessive burden on limited resources. Thus far, economics has only dealt with one half of the equation by focusing only on limited resources and how to use them efficiently. However, it has ignored the fact that the unlimited desires/wants can be limited by placing the ceiling on desires. Existing definition of economics is as:

$$\text{Study of economics} = \frac{\text{Efficient utilization of limited resources} \quad \$1,000}{\text{Unlimited Economic needs/desires} \quad \$400} = \frac{\text{---}}{\text{---}} = \$2.50$$

Based on this definition, let us suppose that \$1,000 worth of resources or budget is available to be utilized for fulfilling our 400 different economic wants/desires. If we divide the total budget among all economic wants/desires, then only \$2.50 can be allocated for each. If we are supposed to spend \$2.50 at the average on each economic wants/desires we will be able to fulfill four hundred of them. If you have more than 400 economic wants/desires then those cannot be fulfilled at this cost because the given budget amount is simply not enough unless, we increase our budget from B1 to B2 or B3 as it is shown in the Graph 1. It also tells us that if the economic wants/desires cost more than \$2.50 each, then we have to let go of some wants/desires or they will not be fulfilled unless the budget amount is increased.



GRAPH 1

From this simple calculation it is obvious that if the denominator is a small number (if the economic wants/desires are scaled down), then more and more resources would be available to fulfill the remaining economic needs/desires. If the denominator is not checked then one can easily be lost in the jungle of economic wants/desires, which may be impossible to be fulfilled and attain the desired satisfaction. Unchecked economic wants/desires will eventually cloud the judgment to make an efficient utilization of limited resources.

Ceiling on economic wants/desires should be placed and taken into serious consideration while consuming goods and services, and/or utilizing factor of productions, land, labor, capital, entrepreneurship that are used to produce goods and services for fulfilling the demand of consumers. Placing ceiling on human wants/desires can possibly create a state of balance between economic needs and resources that are available for fulfilling them.

One could argue that curtailing economic wants is a pessimistic view, which would have negative impact on economic growth, more specifically, it would hinder creating new employment and on prices of goods and services. If a country would operate under this theory then its economy might face stagnation due to the lack of economic growth, and as a result, the economic condition of the people would not be improved. This may be the case if one continues to operate under the basic premise that wanting/desiring more and more and fulfilling those ever increasing economic wants/desires make one happy. However, we are prescribing just an opposite view, that is, by limiting or placing a ceiling on wants/desires and allocating resources accordingly makes one satisfied and happy as well. One would be equally satisfied if he or she could cut down economic wants/desires to the level where his or her resources would be enough to fulfill their wants/desires. Placing a ceiling on wants and desires will lead to conservation of resources, higher savings, a budget surplus, the optimum use of limited resources, more equitable distribution of resources, the conservation and preservation of the environment, and a relief on economic tension. Control of wants/desires does not mean the suppression of economic wants/desires but rather it is the utilization of sound judgments on wants/desires. If we cannot exercise our prudence to place a ceiling on economic wants and desires it may lead us to the jungles of economic wants and desires, which would be the recipe for economic downfall. Ceilings on wants/desires can be placed by utilizing the power of discernment, which will lead in distinguishing between the essential, necessary and right wants/needs. Discernment can be exercised by using intellect, higher mind to control the lower mind that tends to gravitate towards instant gratification, glamorization, temporary glorification and attraction.

Let us examine the case of two college students who have to maintain their lifestyle by utilizing the given budget of \$2,000 a month. Student "A" has unlimited economic needs, and student "B" has placed a ceiling on economic needs or has limited desires to be fulfilled. Student "A" spends his money indiscriminately, his desire for the many goods and services is

driven by the availability of those goods and services and the consumption craze created by producers and sellers alike. He cannot control his wants and does not see a need to do so. In contrast, student "B" controls her economic desires and spends her limited budget on only those goods that are essential and so fulfills her responsibilities. Their unlimited and limited needs and allocation of their resources are as follows:

Student "A"		Student "B"	
Tuition fee	500	Tuition fee	500
Books & supplies	150	Books & supplies	150
Rent	400	Rent	400
Food	350	Food	100
Clothing	300	Clothing	50
Transportation	300	Transportation	100
Recreation	700	Recreation	100
Gifts & Celebration	200	Gifts & Celebration	20
Others	100	Others	00
Total	2,900 (900)	Total	1,400 600

Aside from absolutely necessary items such as tuition fee, books & supplies and rent, student "A" has additional economic needs than Student "B". Student "A" feels that he has to go out and eat at least three times a week and moreover he has to treat to his girlfriend. Therefore, he has to allocate and spend at least \$350 to maintain his eating habits/desires. On the contrary, student "B" spends only \$100 on food because she feels that she cannot afford eating out and does not spend the scarce money on many recreational activities. She may like to go out and enjoy the food but she controls her economic urges or desires, and also tries to be economical. Similarly, student "A" spends \$350 on clothing because he feels that he must have designer clothing and shoes, which cost a lot more than the regular items. Student "B" spends only \$50 to buy her clothes. Student "A" has allocated \$1,300 on transportation, recreation, gifts and other big ticket items, compared to just \$220 allocated by student "B" for the same items. Student "A" has evidently chosen a lavish lifestyle with an expensive sports vehicle, which requires more money for gas, license and insurance. He has to frequently visit night clubs, go to every ball game in town, and lavishly buy gifts and celebrate birthdays and anniversaries. On the contrary student "B" simply controls or limits her economic needs, and as a result, spends a lot less on these items.

Notice that student "A" has uncontrolled and unlimited economic needs whereas student "B" has controlled or limited economic needs. Student "A" faces a deficit of \$900 in his given budget; however, student "B" has a surplus of \$600. To

meet this budget deficit, student "A" must borrow the amount and go into debt of \$900 to meet his expenses, which is a direct result of his uncontrolled economic wants/desires.

Students must realize that they are students and their primary purpose is to study and gain proper knowledge. They must think and realize for themselves that the designer clothes and shoes, expensive vehicle, frequent visits to night clubs, and spending time and energy in celebration and gifts have no contribution to being a good student. In this case, they can be students without these items or by following the path of student "B".

Student "A" is consumed with a false sense of accomplishment and achievement by engaging in those economic and social activities that have no bearing for being a student. False sense of accomplishment, achievement or a sign of success is the result of the social environment we live in and the values we uphold. Such excessive demands on limited resources for fulfilling the unlimited economic wants/desires puts the individual such as student "A" in an extreme economic pressure. Either he has to earn that money by engaging in some kind of work, or by borrowing the money. Either way, he would be placed under growing economic tension, and as a result, he is likely to deviate from his primary path or goal, which is to be a student and graduate from college on time with an acceptable grade point average. Due to the added economic pressures, he will be mentally and physically unhappy, which is contrary to the economic thinking that is by wanting/desiring more and fulfilling those desires makes one happy. However, students would be better off by limiting economic wants/desires and concentrating on their primary responsibilities and this applies to all individuals and professionals.

In the case of student "B," she is able to fulfill all her economic wants/desires and save some money as well. From this example, it can also be claimed that giving up economic wants/desires makes one happy by not having to face an undue economic pressure, which pushes us to deviate from the primary path. If we limit our economic desires, we would be able to conserve and save resources, which can be reinvested for further economic growth. If not, it can eventually be utilized to create more equitable distribution of income for fulfilling one of the fundamental goals of capitalism. Savings can be seen as a vehicle for maintaining the stable prices of goods and services in the economy, and it can be used for further innovation and investment. Thus, the process of placing a ceiling on economic wants/desire requires making the right choices in the given circumstances.

There are conflicting economic goals and motivations between producers/suppliers and consumers. Assuming that the given price of a product is acceptable to producers and/or suppliers, and the other determinant factors remain the same, they would generate higher profit by selling as many goods and services as they can in the marketplace. They tend to sell their goods and services more if the marketplace is full of

consumers who have unlimited economic wants/desires. Therefore, producers/suppliers engage in creating unlimited and unchecked economic wants/desires by investing a substantial portion of their capital in glamorizing the marketing and advertising. They have no economic motivation whatsoever to check the uncontrolled and unchecked economic wants/desires of the consumers in the marketplace. On the contrary, consumers have limited resources for fulfilling unlimited economic wants/desires. It would be to the consumers' economic advantage to limit their economic wants/desires so that they can engage and spend their limited resources on those goods and services that are essential to their respective conditions and environment. This can be done only when the study of economics will give a serious thought to the second part of the equation, which is that economics is the study that teaches to place ceiling on unlimited human wants/desires, in addition to efficiently utilizing the limited resources.

As stated above, unlimited wants/desires can be checked by placing a ceiling on those wants/desires, or limiting them to reduce an excessive burden on inadequate resources, and also to reduce the demand for goods and services, which in effect, causes the prices to come down. Take an example of the demand and price of gasoline, which has currently been increasing in an alarming rate contributed by number of factors such as a growing demand for gasoline in Asian countries to sustain their unprecedented economic growth, limited supply of gasoline, steady increase in demand for gasoline in the United States that is essential to maintain our present lifestyle, and so on. Continuing rise in gasoline price has forced the consumers to look for ways to cut down the use, or demand, for gasoline. Consumers' changing behavior to conserve gasoline is reflected in their actions such as not taking long trips for vacation, carpooling, using public transportation, buying fuel economy vehicles, and so on. In a sense, they are limiting their wants/desires to reduce the demand for gasoline. This is an obvious indication that the consumers have to change or limit their wants/desires for buying less gasoline in the marketplace due to the increasing prices. Thus, placing a ceiling on wants/desires leads to conservation of resources, a budget surplus, more equitable allocation of limited resources, conservation and preservation of the environment, and a relief of economic tension. ■

(Dr. Tulsi P. Uprety has twenty five years of experience in economic development. As an economic development specialist, Dr. Uprety specializes in industrial and business development, formulation of development policies and planning, financing and institutionalization of development process. He taught micro and macro economic classes in various colleges. Dr. Uprety participated in development activities of Native American Indians of Northern America and in Asia. He has a Doctorate Degree in Economic Development and Public Administration from the University of California, Berkeley)

Himalayan Challenges

By MADHAV K. RIMAL

Pushpa Kamal Dahal alias Prachanda, the charismatic supremo of the CPN (Maoist), too, has created history in Nepali politics the day he decided to meet the Nepali Prime Minister. The two leaders, along with their associates, met at the PM's official residence for over twelve hours negotiating and ultimately signing a peace agreement. The televised press conference after the meeting showed Prachanda towering over all, and the mystery about him was finally dispelled. The eight-point agreement set a time limit for drafting the interim constitution nominating the drafting team. The agreement also stated about an interim government but kept silent on its composition. But it has become evident that Prachanda and his party will share the interim government. Expectations are high amongst people that the interim government will be quite pervasive representing all sections of Nepali society, the women getting full justice in their representation. Full care and precaution must be taken that nobody with a shady past is included in the interim government. Some smaller political parties, too, have men with experience and integrity. And no prejudice should be practised in forming the interim government, which must be quite broad-based. The Seven Party Alliance is in the government now because the Maoists brought about a revolutionary change. But their thinking that they are the only parties eligible to form the government, at the moment, does not hold any water. It is because the bigger parties in the SPA and the palace too, took the country out of track, the Maoists could prevail. And now they are in a commanding position to form the interim government. Since the interim government will pass the constitution that will govern the elections to the constituent assembly, the Maoist leadership must see that it should not be controlled by any political party and all political parties and all sections of the people must be represented in equal number. Even more important precaution that is imperative is to see that no politician who has been remotely controlled or whose loyalty to the nation has ever been under cloud gets entry into the interim government. Since Prachanda's role in Nepali politics is going to assume prime importance, the man cannot stay disinterested in what kind of under currents influence politics in Nepal all the time. Nepal knows all its politicians in and out. He is the one that has not been tested yet. Yes, he did take great advantage from a neighboring country. But, as we have always asserted, end justifies the means, we will condone him if he comes up to our expectations. As such, his first crucial test will be the formation of the interim government. Elections to the constituent assembly have to be most free and fair, which only men of character, high integrity and unimpeachable patriotism can guarantee. Tainted men with shady past must be kept at arm's length if the country is to reap any benefits from this historic revolution of the century. It seems Prachanda

is quite aware of the obstacles he might have to face when he says, "the US will not accept us and India, too, will not recognize us." He also believes that there is very pernicious foreign interference in Nepal that has got to be remedied urgently. That Prachanda has the guts to say that publicly has placed him in a different category than other Nepali politicians. It has not only cheered the patriotic hearts of Nepalis but also generated great hopes. But, he must know it is easier said than done. Because the volcanic undercurrent that keeps on sweeping Nepal has swept away most Nepali politicians and not spared even the monarch. The Nepali people have been really starving for honest, dedicated and patriotic leadership. And no one would find a more fertile soil anywhere else if he only knows how to sow the seed of patriotism. This may sound like a big joke or a sheer paradox that a real patriot may face grave dangers to his life in Nepal. Because, it had been rumored that Madan Bhandari had to meet an untimely and unnatural death because he was a firebrand patriot and commanded great popularity. Consequently, there were many who wanted him out of the Nepali political scene.

Prachanda's address to the press after signing the peace agreement has clearly demonstrated that he knows the challenges he might have to face in the near future. But he must first solve the gargantuan challenges that are facing him – like stabilizing the peace, institutionalizing democracy, decommissioning the arms and ammunition, controlling their cadres in the remote areas and providing employment to them and creating an honest, efficient and non-partisan mechanism. Each one of these challenges has the Himalayan character, which no small man can even think of tackling. And in the present circumstances, it looks he will have to come forward to shoulder the responsibility. If his poor countrymen are looking up to him, there are others who would like to see him down. He is only half-way to achieve his mission. The other and more important half is beckoning him from afar. As such, this is the time he has to use his grey cells with the greatest caution and judgment. One must always bear in mind that as one nears the objective the more difficult it becomes to grab it as unforeseen obstacles sprout from nowhere. Consequently, one must be fully prepared to meet all dangers, challenges and obstacles, not stoop to victimization or witch-hunting, not nurse any prejudice and keep an open mind. This is a God-given time for nation-building, which comes rarely in a nation's lifetime and must not be frittered away. In the interest of the country and our countrymen, we all must also be broad minded to accept that Marxism, Leninism, Nehruvian Socialism or Jeffersonian democracy – they all may be good as they are. But as far as we are concerned they must be cut and pruned to suit the clime of our country and the genius of our people. Will Prachanda take note? ■

MADHAV LAL MAHARJAN

Book For All

Having come from a simple peasant family, Maharjan has come a long way to become the founder of Mandala Book Point

By A CORRESPONDENT

Whenever scholars or intellectuals find difficulty to get books on Nepal, Madhav Lal Maharjan comes to their rescue guiding them in their search for specific books. He is not a new name in the academic and intellectual circles of Nepal as well as among those living abroad who specialize on Nepal.

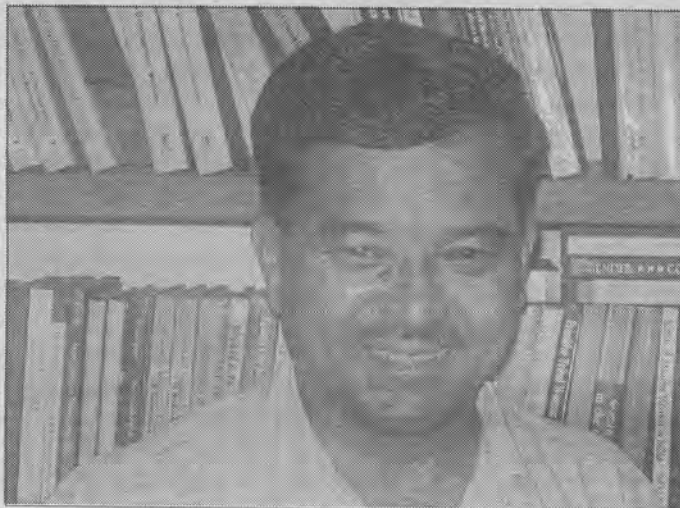
Situated at Jamal, Mandala Book Point has collections of more than 10,000 books with titles ranging from history to culture, philosophy to law and international relations to Tibetan Buddhism. Thanks to his own interest, Maharjan visits various web sites to know about the new release and brings them to the country as soon as possible.

Along with academicians and intellectuals, dignitaries like former US president Jimmy Carter has also visited his book shop. Senior Nepalese politicians visit his book store frequently. In early days of his business, Dr. Ishwori Lal Shrestha, Dr B.P. Shrestha and Dr. Harka Gurung were his regular visitors. Maharjan has still maintained his tradition to welcome scholars. Mandala Book Point attracts almost all scholars, intellectuals and other general readers. It is also a meeting point for scholars and intellectuals who discuss contemporary issues along with searching for books.

Maharjan has participated in various book fairs around the world. He is a regular visitor to New Delhi Book Fair. "One of the objectives of the Mandala Book Point is to promote interaction between Nepalese scholars and scholars from abroad," said Maharjan, 56, a father of two sons. "I am completely satisfied in this business as I don't see there is any other better business

in which you encounter a number of people from different walks of lives."

Although Maharjan, who also has been publishing a journal named Studies in Nepali History and Society for the last ten years, has busy schedule, he also allocates his time for social work as he is the chairman of School Management Committee of Jansewa Madhyamik Vidyalaya, Panga. "I share my leisure time with my family members and social works," said Maharjan, who comes to the city



Maharjan: In the business of knowledge

center from Kirtipur at 9 o'clock in the morning and returns late in the evening.

In his book store, Maharjan also has a separate room where he meets with his visitors and discusses matters related to academic interest. Maharjan happily provides scholars and intellectuals the information about new publications.

Whoever may come to Nepal to do study on the country, his/her mission will be incomplete without visiting Mandala Book Point and meeting Maharjan who is always available to share his ideas and guide anybody who comes to see him.

Maharjan, who has seen various political phases including open and closed

society - does not let any visitor go empty handed. Although it was too risky to sell books banned by the government during Panchayat days, he imported and sold them to the readers nonetheless.

Born in a peasant family in Kirtipur Municipality, Panga - nine kilometer east of capital Kathmandu - Maharjan has never thought that he would end up as a book seller. It was Professor Ishwori Lal Shrestha, who introduced him in this profession in 1969 when he was just a college student. Graduated in commerce in 1974 from Tribhuvan University, Madhav opened his own Himalayan Book Seller back in 1976 after working for seven years at the book store of Shrestha.

Following the People's Movement of 1990, Maharjan has seen a new trend in book business as the number of visitors has drastically increased. From a few visitors in the past, Maharjan now says

hundreds of youngsters come to his book store these days. His regular visitors included scholars like late Rishikesh Shaha. "There are many Nepalese scholars who have written books on Nepal but late Shaha was a great scholar of this country," said Maharjan who also sold a number of books written by him.

Maharjan complains that many renowned Nepalese serving in politics, civil service, police and army can contribute to society by writing their memoirs. "We can see almost

every Indian scholar or officers writing books whenever they retire from their service but our people have yet to learn this culture," said Maharjan, who is living in his extended family of 13 members. "Nepalese scholars and academics have written some books on Nepal but writing memoir is still rare. Persons serving in higher and most powerful positions should write their experiences to enrich the knowledge of their people."

"This is a good profession," said Maharjan, general secretary of National Book Sellers and Publishers' Association of Nepal.

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